

OCA FILE

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6 October 1988
OCA 3364-88

MEMORANDUM FOR: Chief, Administrative Law Division/OGC
DD/EB&S/OP
DD/CAP/OP
[redacted] CAP/OP
FROM: [redacted] Legislation Division
Office of Congressional Affairs
SUBJECT: Federal Employees Health Benefits Amendments
Act of 1988, H.R. 5102

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1. Attached for your information is a portion of the report on the above-captioned bill. It provides that the bill does not interfere with the Agency's ability to administer its own health benefits program. [redacted] of the Liaison Division/OCA and I, in conjunction with [redacted] of CAP/OP, succeeded in having this language entered into the report in order to protect the identities of covert employees from disclosure of information regarding these employees and annuitants, their dependents and former spouses.

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2. If you have any questions, please telephone me on secure [redacted]

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Attachment

OCA/LEG/[redacted] (6 October 1988)

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Distribution:

Original - Addressees

1 - D/OCA

1 - DDL/CCA

1 - [redacted] (Liaison)

1 - OCA/Leg/Subject File: Miscellaneous Personnel

1 - RMH Signer

1 - OCA Recd

1 - OCA Records

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100TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
100-917

FEDERAL EMPLOYEES HEALTH BENEFITS AMENDMENTS ACT OF 1988

SEPTEMBER 14, 1988 —Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ACKERMAN, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H.R. 5102]

[Including cost estimate of the Congressional Budget Office]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 5102) to amend the provisions of title 5, United States Code, relating to the health benefits program for Federal employees and certain other individuals, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments (stated in terms of the page and line numbers of the introduced bill) are as follows:

Page 14, strike lines 23 and 24 and insert the following:

"lation require)—

"(I) to the employee's employing agency; or

"(II) in the case of an annuitant, to the Office; and".

Page 15, strike lines 1 and 2 and insert the following:

"(ii) if the notice referred to in clause (i) is received within 60 days after the date as of".

Page 15, line 4, strike "carrier" and insert "employing agency or the Office (as the case may be)".

Page 16, line 22, strike "subparagraph (A)." and insert "clause (i).".

Page 19, strike lines 10 through 14.

Page 19, line 15, strike "(g)(1)" and insert "(f)(1)".

Page 20, line 12, strike "subsections (d) and (f)," and insert "subsection (d),".

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clude: conviction in connection with the delivery of a health care service relating to fraud, corruption, breach of fiduciary responsibility, financial misconduct, neglect or abuse of patients, obstruction or interference of an investigation; conviction for certain crimes relating to a controlled substance; the revocation, suspension, restriction, nonrenewal of a license, or surrender of a license while a formal disciplinary proceeding is pending for reasons relating to the provider's professional competence, professional performance, or financial integrity; and the submission of fraudulent claims, claims which contain charges substantially in excess of usual charges, or claims for services which were medically unnecessary or which fail to meet professionally recognized standards. This provision is similar to the exclusion authority under the Medicare and Medicaid programs.

In addition, H.R. 5102 provides for the temporary continuation of FEHBP coverage for certain separated employees, certain unmarried dependent children, and certain former spouses. Separated employees would be permitted to extend their health insurance coverage for up to 18 months, and unmarried dependent children and former spouses may extend their coverage for up to 36 months. Beneficiaries would be required to pay an amount equal to the combined employee and government contribution to continue FEHBP coverage. Additionally, OPM may charge no more than an additional 2 percent of the total premium to cover administrative expenses. This coverage is similar to the continued health insurance coverage which was afforded to private sector employees in the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

This measure is not intended to interfere with intelligence agencies which administer their own health benefits programs. For instance, for reasons of national security the Central Intelligence Agency (CIA) manages its own insurance program. Information concerning certain employees, dependents, former employees, former spouses, and annuitants is classified and must be treated with certain precautions. The dissemination of this information should be proscribed whenever possible and the Director of the CIA given the flexibility to prescribe regulations consistent with, but not necessarily identical to, those prescribed by OPM and which protect sensitive intelligence information. This is not to say that the CIA may grant to persons who may be enrolled in a health plan under Chapter 89 of title 5, United States Code, less substantive benefits than are provided to other Federal employees, their former spouses, and their family members. Rather, the CIA may deviate from the law's requirements only when necessary to protect intelligence sources and methods.

STATEMENT

TITLE I

Under current law, the Office of Personnel Management does not have the authority to protect FEHBP beneficiaries from unscrupulous or fraudulent health care providers. This lack of authority could result in subjecting enrollees to unnecessary, expensive and harmful medical procedures. In addition, the fiscal integrity of the